

|       | All<br>Combined | Public |
|-------|-----------------|--------|
| 91-92 | 3.5%            | 2.9%   |
| 92-93 | 2.5             | 1.9    |
| 93-94 | 3.0             | 2.5    |
| 94-95 | 3.5             | 2.9    |

# FACULTY SALARIES AT CALIFORNIA'S PUBLIC UNIVERSITIES, 1996-97



## CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

JUNE 1996

COMMISSION REPORT 96-5

## SUMMARY

Annually, in accordance with Senate Concurrent Resolution No 51 of the 1965 General Legislative Session, the Commission submits to the Governor and the Legislature an analysis of faculty salaries at the California State University and the University of California

The Commission's report for the 1996-97 fiscal year contains an analysis of current year information on faculty salaries at the State University and the University and their respective groups of comparison institutions, and shows how this information is used to calculate the parity percentages or salary lags included in this report. The parity percentage is a projection of the salary increase that each system would have to award in the coming year in order for its average faculty salary to keep pace with the average faculty salary at its comparison institutions.

This year, the estimated faculty salary parity figures for the State University and University are 9.6 and 10.3 percent, respectively. The State University's parity figure is down from 12.7 percent a year ago, while the University's parity figure is virtually unchanged from last year's 10.4 percent. The gaps between average faculty salaries at the State University and University and those at their respective comparison institutions remain substantial relative to those calculated by the Commission in recent years.

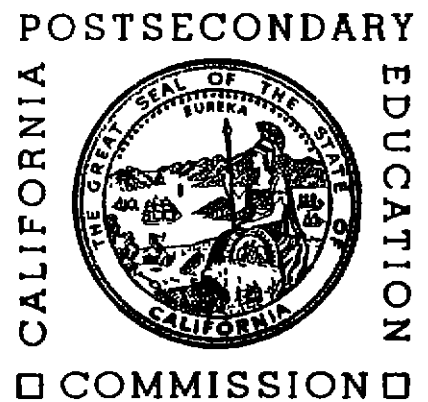
This report also includes a description of several changes to the methodology for calculating the parity figures that were initiated with this year's report. These changes, adopted by the Commission, were made pursuant to Supplemental Report Language to the Budget Act of 1995. Representatives of the systems, the Department of Finance, and the Legislative Analyst's Office and other interested parties advised Commission staff on the development of these changes.

The Commission adopted this report on June 3, 1996, on recommendation of its Fiscal Policy and Analysis Committee. Further information about the report may be obtained from Christopher Carter, Senior Policy Analyst. To order copies of this report (96-5), write the Commission at 1303 J Street, Suite 500, Sacramento, California 95814-2838; or telephone (916) 445-7933.

# FACULTY SALARIES IN CALIFORNIA'S PUBLIC UNIVERSITIES, 1996-97

*A Report to the Legislature  
and the Governor in Response  
to Senate Concurrent Resolution No. 51 (1965)*

**CALIFORNIA POSTSECONDARY EDUCATION COMMISSION**  
1303 J Street • Suite 500 • Sacramento, California 95814-2938





**COMMISSION REPORT 96-5**  
**PUBLISHED JUNE 1996**

*Contributing Staff* Christopher Carter

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# 1

## Summary and Conclusions

**T**HIS ANNUAL faculty salary report from the California Postsecondary Education Commission contains detailed information on average faculty salaries at the comparison institutions of the California State University and the University of California. The 1996-97 report includes an explanation of methodology changes for calculating faculty salary parity figures, analyzes raw faculty salary data from the California State University, the University of California, and their respective comparison institutions, explains the Commission's faculty salary parity computations, and presents the percentage amounts by which existing salaries would have to be increased to achieve parity with their respective comparison groups in 1996-97. The report also provides a brief summary of national faculty salary information that is a context for policy makers as they consider salary issues.

### **The California State University**

The Commission's analysis of the information supplied by the comparison institutions of the California State University indicates a 1996-97 academic year parity deficiency for the State University of 9.6 percent, which is down from 12.7 percent a year ago. The decline is attributable, in part, to increases in average State University faculty salaries outpacing increases at the comparison institutions for the 1995-96 year and, in part, to changes in the methodology for calculating the parity figure.

These projections are based on the consideration of current-year payroll analyses of all 20 of the State University's comparison institutions. This marks the second consecutive year in which actual figures were available from all comparison institutions which eliminated the use of estimates. As with last year's report, salary information for law and medical faculty at comparison institutions has been excluded from the calculations.

### **University of California**

The Commission's analysis of information from the comparison institutions of the University of California indicates a projected parity deficiency for University faculty in 1996-97 of 10.3 percent. This parity figure is unchanged from a year ago and is very high from a historical perspective. In only four of the last 17 years has the lag between the University and comparison institution faculty salaries been larger. The University's parity figure was calculated based on complete 1995-96 data from all eight of the University's comparison institutions.

### **Changes to the faculty salary methodology**

A review of the faculty salary methodology for 1996-97 was initiated a year ago by the Legislative Analyst. Pursuant to the recommendations of the Legislative Analyst, CPEC convened its Faculty Salary Advisory Committee to examine the



recommendations and other issues centering on the faculty salary methodology. Changes were made in the following areas: the manner in which average salaries for the California State University, the University of California, and the comparison institutions are weighted by staffing patterns in the calculation of the salary parity figures, the manner by which faculty size is used to weight the average salaries of the University's comparison institutions, and, for the first time, the inclusion of cost-of-living issues into the State University's faculty salary methodology

**General trends** Information contained in this report -- some of it from the American Association of University Professors -- indicates a general, national decline in the growth of faculty salary increases. While faculty salary increases consistently outpaced inflation by a healthy margin during the 1980s, there have been no clear trends since 1990-91. In two of the six most recent years for which information is available, the Consumer Price Index increased at a faster rate than faculty salaries.

While the State University's parity figure has declined for 1996-97, both the State University's and University's parity figures remain high relative to those that the Commission has observed over the past 17 years. The Governor has committed to providing the systems with an average of 4 percent increases in General Fund support over the next three years, while these augmentations would constitute the largest increases in recent years, they are still inadequate to maintain services at the same level at either the State University or the University of California. Thus, fiscal pressures will continue to confront the State University and the University, and both sectors will find it difficult to significantly narrow the gap between their faculty salary levels and those of their respective comparison institutions.

# 2

## National Trends in Faculty Compensation and Prospects for State Funding of Higher Education

**T**HIS SECTION presents information intended to provide a context in which to consider faculty salaries at the California State University and the University of California. It begins with information on national trends in faculty salary levels, which provides both a national and a historical context for the material discussed in this report. It concludes with information on the State's economy and the prospects for overall support of higher education since the ability of the State University and University to support their respective faculty is so closely tied to the State's ability to support its public universities.

### **Changes in faculty compensation nationwide**

In the spring of each year, the American Association of University Professors (AAUP) publishes a comprehensive report on faculty compensation. Titled *The Annual Report on the Economic Status of the Profession*, the 1996 report includes useful trend information that provides a national and historical context for the material presented in this report on faculty salaries at the State University and the University of California. Display 1 on the next page shows national trends in faculty compensation by faculty rank. Throughout the 1970s, faculty salaries declined in constant dollars. Beginning in 1981-82, they then climbed steadily for nine years. While faculty salaries failed to keep pace with inflation for two years in the early 1990s, 1995-96 marks the third consecutive year in which faculty salaries nationally increased in real terms.

Display 2 on page 5 shows that the rates of increase for faculty salaries have not been consistent across institutional affiliations. In recent years, salary increases have been higher at independent and church-related institutions than at public institutions. In 1994-95, however, average faculty salary increases at public institutions were substantially higher than they have been in recent years and outpaced increases at other institutions for the first time in 13 years. While that was not the case in 1995-96, salary increases at public institutions were far closer to those at other types of institutions than they had been for several years prior to 1994-95. The stronger faculty salary increases at public institutions in recent years is likely attributable, at least in part, to strong recovery from the recession throughout the nation at the state level.

**DISPLAY 1** *Percentage Increases in Average Current and Real Dollar Faculty Salaries for American Colleges and Universities Reporting Comparable Data for Adjacent One-Year Periods, and Percentage Changes in the Consumer Price Index, 1975-76 to 1995-96*

| Year               | Professor | Associate Professor | Current Dollar Assistant Professor | Instructor | All Ranks | Professor | Associate Professor | Current Dollar Assistant Professor | Instructor | All Ranks | Consumer Price Index |
|--------------------|-----------|---------------------|------------------------------------|------------|-----------|-----------|---------------------|------------------------------------|------------|-----------|----------------------|
| 1975-76 to 1976-77 | 4.7       | 4.7                 | 4.7                                | 4.7        | 4.7       | -0.2      | 0.2                 | -0.2                               | -0.2       | -0.2      | 4.9                  |
| 1976-77 to 1977-78 | 5.2       | 5.7                 | 5.3                                | 5.4        | 5.3       | -1.4      | -1.2                | -1.3                               | -1.2       | -1.3      | 6.7                  |
| 1977-78 to 1978-79 | 5.6       | 5.8                 | 5.9                                | 6.0        | 5.8       | -3.1      | 2.9                 | -2.9                               | -2.7       | -2.9      | 9.0                  |
| 1978-79 to 1979-80 | 7.5       | 7.0                 | 6.8                                | 6.4        | 7.1       | 5.1       | -5.5                | -5.7                               | 6.1        | -5.4      | 13.3                 |
| 1979-80 to 1980-81 | 8.8       | 8.5                 | 8.8                                | 8.6        | 8.7       | 3.3       | -3.6                | -3.3                               | 3.5        | -3.4      | 12.5                 |
| 1980-81 to 1981-82 | 9.0       | 8.8                 | 9.1                                | 8.2        | 9.0       | 0.1       | -0.1                | 0.2                                | -0.7       | 0.0       | 8.9                  |
| 1981-82 to 1982-83 | 6.3       | 6.3                 | 6.8                                | 6.7        | 6.4       | 2.4       | 2.4                 | 2.9                                | 2.8        | 2.5       | 3.8                  |
| 1982-83 to 1983-84 | 4.6       | 4.4                 | 5.0                                | 5.1        | 4.7       | 0.8       | 0.6                 | 1.2                                | 1.3        | 0.9       | 3.8                  |
| 1983-84 to 1984-85 | 6.7       | 6.4                 | 6.6                                | 6.2        | 6.6       | 2.7       | 2.4                 | 2.6                                | 2.2        | 2.6       | 3.9                  |
| 1984-85 to 1985-86 | 6.1       | 5.9                 | 6.2                                | 5.9        | 6.1       | 2.2       | 2.0                 | 2.3                                | 2.0        | 2.2       | 3.8                  |
| 1985-86 to 1986-87 | 6.0       | 5.8                 | 5.7                                | 4.9        | 5.9       | 4.8       | 4.6                 | 4.5                                | 3.8        | 4.7       | 1.1                  |
| 1986-87 to 1987-88 | 5.0       | 4.8                 | 4.9                                | 3.8        | 4.9       | 0.6       | 0.4                 | 0.5                                | -0.6       | 0.5       | 4.4                  |
| 1987-88 to 1988-89 | 5.8       | 6.7                 | 6.0                                | 5.3        | 5.8       | 1.3       | 2.2                 | 1.5                                | 0.9        | 1.3       | 4.4                  |
| 1988-89 to 1989-90 | 6.3       | 6.3                 | 6.3                                | 5.4        | 6.1       | 1.6       | 1.6                 | 1.6                                | 0.7        | 1.4       | 4.6                  |
| 1989-90 to 1990-91 | 5.5       | 5.3                 | 5.5                                | 5.0        | 5.4       | -0.6      | -0.8                | -0.6                               | -1.0       | -0.7      | 6.1                  |
| 1990-91 to 1991-92 | 3.4       | 3.5                 | 3.8                                | 3.9        | 3.5       | 0.3       | 0.4                 | 0.7                                | 0.8        | 0.4       | 3.1                  |
| 1991-92 to 1992-93 | 2.6       | 2.3                 | 2.6                                | 2.3        | 2.5       | -0.3      | -0.6                | -0.3                               | -0.6       | -0.4      | 2.9                  |
| 1992-93 to 1993-94 | 3.0       | 3.1                 | 3.0                                | 3.2        | 3.0       | 0.3       | 0.4                 | 0.3                                | 0.5        | 0.3       | 2.7                  |
| 1993-94 to 1994-95 | 3.4       | 3.4                 | 3.2                                | 3.5        | 3.4       | 0.7       | 0.7                 | 0.5                                | 0.8        | 0.7       | 2.7                  |
| 1994-95 to 1995-96 | 3.1       | 2.9                 | 2.7                                | 2.6        | 2.9       | 0.6       | 0.4                 | 0.2                                | 0.1        | 0.4       | 2.5                  |

\*Consumer Price Index (all urban consumers) is obtained from the Bureau of Labor Statistics and is adjusted for inflation (percentage of increase).

Source: American Association of University Professors, 1996.

In the future, national economic vitality may not be enough to maintain strong state revenues. Current efforts to balance the federal budget may place increased financial pressures on states and, thereby, lessen the funding dedicated to public higher education. This could result in lower faculty salaries in all sectors of education. Reduced state revenues could mean lower salary increases at public institutions and that, in turn, could reduce pressures to increase salaries at independent institutions.

**The prospect for State support of higher education**

Historically, the financial health of California's public higher education institutions has been closely linked to the productivity of the State's economy. When the California economy was healthy in the 1980s, State support for higher education grew substantially, and faculty salaries at the State University and the University of California kept pace with those at the comparison institutions. The recession of the early and mid 1990s brought with it declines in State support for higher education and an increasing gap between salaries of faculty at both the State University and University and their respective comparison institutions.

The prospects for the State to return to the financial health of the last decade appear minimal. This is because of California's oft-noted structural budget prob-

**DISPLAY 2** *Percentage Changes in Average Faculty Salaries of American Colleges and Universities in Five Recent Years, by Institutional Affiliation*

| <u>Year</u>        | <u>Institutional Affiliation</u> |               |                            |                       |
|--------------------|----------------------------------|---------------|----------------------------|-----------------------|
|                    | <u>All Combined</u>              | <u>Public</u> | <u>Private/Independent</u> | <u>Church-Related</u> |
| 1990-91 to 1991-92 | 3 5%                             | 2 9%          | 4 7%                       | 5 5%                  |
| 1991-92 to 1992-93 | 2 5                              | 1 9           | 3 8                        | 4 2                   |
| 1992-93 to 1993-94 | 3 0                              | 2 9           | 3 3                        | 3 4                   |
| 1993-94 to 1994-95 | 3 5                              | 3 6           | 3 3                        | 2 7                   |
| 1994-95 to 1995-96 | 2 9                              | 2 8           | 3 2                        | 3 3                   |

**Note** Samples include 1,838 institutions reporting comparable data for 1990-91 to 1991-92, 1,527 for 1991-92 to 1992-93, 1,932 for 1992-93 to 1993-94, 1,374 for 1993-94 to 1994-95, and 1,498 for 1994-95 to 1995-96

**Source** AAUP, 1992, 1993, 1994, 1995, and 1996

lems of rapidly expanding demands for funding and minimally expanding revenues -- a situation which promises to produce continuing fiscal pressures even during times of relative prosperity. Many responsible agencies and officials, including the Postsecondary Education Commission, have warned that no one should expect California's higher education budgetary problems to be solved solely because the State has recovered from the recession.

California's structural budget difficulties could be compounded by efforts to balance the federal budget. To the extent that action on the federal budget places any additional pressure on the State budget, support for higher education could be threatened to an even greater extent.

For 1996-97, the Governor's Budget includes General Fund increases to the State University and the University of California in two components: (1) it includes funding to alleviate any systemwide fee increases for the year, and (2) it includes increases that are consistent with the commitment made by the Governor, when announcing his 1995-96 Budget, to increase General Fund support for higher education by an average of four percent per year for the three years beginning in 1996-97. This commitment brings with it some predictability to the budgeting process and larger increases in General Fund support for education than the State has seen for several years. However, these increases in General Fund support will be inadequate to maintain services at the same level at either the State University or the University. Thus, despite additional funding, budget constraints will likely continue to limit future faculty salary increases at both the State University and the University of California.

# 3

## The Commission's Faculty Salary Methodology

**A**NNUALLY, in accordance with Senate Concurrent Resolution No. 51 of the 1965 General Legislative Session (reproduced in Appendix C on page 27), the California State University and the University of California submit to the Commission information on faculty salaries for their respective institutions and for a group of comparison colleges and universities. On the basis of this information, Commission staff develops estimates of the percentage changes in faculty salaries required to attain parity with the comparison groups in the forthcoming fiscal year. Current procedures dictate that preliminary parity figures for both systems be reported to the Department of Finance and the Office of the Legislative Analyst during the first week of each December. A detailed report follows the next Spring.

This section of the report shows the trends in the faculty salary parity figures in recent years. It also explains the calculation of the parity figure and contains the recommendations of the Commission's Faculty Salary Advisory Committee on altering the methodology for 1996-97.

### **Trends in California faculty salaries and parity figures**

The faculty salary methodology, including the lists of comparison institutions, the procedures by which the systems collect data, and the techniques used to analyze those data, has been designed and refined periodically by the Commission -- and the Coordinating Council before it -- in consultation with representatives from the California State University, the University of California, the Department of Finance, the Office of the Legislative Analyst, and other interested parties. As a result, the faculty salary methodology has historically been the product, at least in part, of compromise among interested parties. Appendix A on pages 21-24 traces the history of those refinements through 1993-94. Although there have been minor changes in recent years, the methodology has not seen major revisions in over a decade.

Display 3 on page eight shows the parity figures that the Commission has derived for the State University and University since 1979-80, and compares them to the salary increases actually granted. The display shows that, as California emerged from the recession of the early 1980s, faculty salaries at both the State University and University lagged significantly behind those at their comparison institutions.

By the latter part of the decade, revenues derived from a strong State economy, the fiscal priorities of the systems, and the State's policy makers allowed for salary increases to match the faculty salary parity figures.

**DISPLAY 3 Comparisons of Faculty Salary Parity Figures  
Calculated by the California Postsecondary Education  
Commission with Actual Percentage Increases Provided,  
1979-80 Through 1996-97**

| Year    | The California State University |                 | University of California |                 |
|---------|---------------------------------|-----------------|--------------------------|-----------------|
|         | Parity Figure                   | Salary Increase | Parity Figure            | Salary Increase |
| 1979-80 | 0.1%                            | 0.1%            | 0.1%                     | 0.1%            |
| 1980-81 | 0.8                             | 9.8             | 5.0                      | 9.8             |
| 1981-82 | 0.5                             | 6.0             | 5.8                      | 6.0             |
| 1982-83 | 2.3                             | 0.0             | 9.8                      | 0.0             |
| 1983-84 | 9.2                             | 6.0             | 18.5                     | 7.0             |
| 1984-85 | 7.6                             | 10.0            | 10.6                     | 9.0             |
| 1985-86 | N/A                             | 10.5            | 6.5                      | 9.5             |
| 1986-87 | 6.9                             | 6.8             | 1.4                      | 5.0             |
| 1987-88 | 6.9                             | 6.9             | 2.0                      | 5.6             |
| 1988-89 | 4.7                             | 4.7             | 3.0                      | 3.0             |
| 1989-90 | 4.8                             | 4.8             | 4.7                      | 4.7             |
| 1990-91 | 4.9                             | 4.9             | 4.8                      | 4.8             |
| 1991-92 | 4.1                             | 0.0             | 3.5                      | 0.0             |
| 1992-93 | 6.0                             | 0.0             | 6.7                      | 0.0             |
| 1993-94 | 8.5                             | 3.0             | 6.5                      | 0.0             |
| 1994-95 | 6.8                             | 0.0             | 12.6                     | 3.0             |
| 1995-96 | 12.7                            | 2.5             | 10.4                     | 3.0             |
| 1996-97 | 9.6                             | N/A             | 10.3                     | N/A             |

Source: California Postsecondary Education Commission.

California's economic troubles of the 1990s, however, have driven up the parity figures. The combined forces of economic recession and increasing budgetary pressure from other State programs, such as health and welfare, corrections, and K-12 education, have resulted in declining levels of State support for the State University and the University of California. Moreover, there has been a persistent gap between salaries at the State's public universities and their respective comparison institutions. In both public university systems, there have been no salary increases in three of the five most recent years, and the University of California imposed a 3.5 percent faculty salary decrease for one of those years (although it now has been fully restored).

**The elements of the faculty salary methodology**

The development of the faculty salary methodology has historically required that two broad issues be addressed: (1) the data to be used

to calculate the parity figure, or more specifically, the institutions that should form the set of comparators and the nature of the faculty salary information that should be gathered from them and (2) the calculation of a parity figure given data from the State University, the University of California, and their respective comparison institutions.

**Data to be used in calculation of parity figure**

Historically, the development of lists of comparison institutions has been driven by several factors: institutions that have missions similar to the State University's or University's, institutions of sizes similar to the range of the State University or University campuses, institutions that compete with the State University or University to hire faculty, and institutions willing to share faculty salary information. In addition, salaries for faculty in law and medicine programs have historically been excluded from the calculation.

***Calculation of the  
parity figure***

Once salary information for the California State University, the University of California, and the comparison institutions has been gathered, discussion about the calculation of the parity figures has historically centered on three issues:

*Whether and how to weight the average faculty salaries at comparison institutions.* Since 1993-94, average salaries at the comparison institutions for both the State University and University have been weighted based upon the number of faculty at each institution. Thus, those comparison institutions with larger numbers of faculty members have had a stronger influence on the resulting average salary.

*How to project faculty salaries at the comparison institutions for the coming year.* For many years, this projection has been based on the compound rate of increase over the prior five years. Applying that rate of increase to current-year salaries has yielded projected salaries at the comparison institutions.

*Whether and how to weight with respect to staffing pattern (professor, associate professor, etc.) when calculating the parity figure.* Parity figures were, at one time, calculated by weighting salaries for both the State University or University and the comparison institutions by the State University or the University of California staffing patterns. In recent years, the calculation has been made by weighting all salaries 50 percent by State University/University staffing patterns and 50 percent by the comparison institutions' staffing patterns.

***Initiation of the  
changes to the  
1996-97 faculty  
salary  
methodology***

With this 1996-97 faculty salary report, the Commission makes some important changes to its faculty salary methodology, initiated pursuant to recommendations made by the Legislative Analyst and subsequent Supplemental Report Language to the Budget Act of 1995. In her Analysis of the 1995-96 Budget Bill, the Legislative Analyst recommended that the Commission convene the Faculty Salary Advisory Committee to address two issues in particular.

- ♦ Whether the State University's list of comparison institutions should be altered given that several of their comparators award substantial numbers of doctoral degrees, which is not part of the mission of the State University; and
- ♦ Whether, when calculating the parity figure, salaries at the California and comparison institutions should be weighted by their own staffing patterns -- the Analyst termed this "simple average salaries" -- rather than 50 percent by the staffing pattern at the State University or University and 50 percent by the staffing pattern at the comparison institutions.

Supplemental Report Language to the Budget Act of 1995 directed the Commission to make recommendations on these two issues and any others related to the faculty salary methodology after appropriate consultation with the technical advisory committee.

**The advisory committee and changes to the faculty salary methodology**

The Faculty Salary Advisory Committee participants included representatives of the State University, the University, the Legislative Analyst's Office, the Department of Finance, the California Faculty Association, the University of California Faculty Association, legislative staff members, and other interested parties. The Committee met four times beginning in October, 1995. Discussions focused on the above issues raised by the Legislative Analyst, but also addressed the following issues: (1) the University's concern about the current practice of weighting comparison institutional average salaries based upon the number of faculty at each comparison institution, which gives more weight to the larger, lower-paying public comparison institutions, and (2) the differences in cost of living between the areas where the State University's comparison institutions are located and the areas where the State University campuses are located.

Ultimately, the prevailing opinion of the Advisory Committee members was in support of the changes to the faculty salary methodology described below. It is important to note, however, that the changes resulted from compromises on the part of the members of the Committee, and that the issues discussed may be revisited at a later point.

*Issues affecting both the State University and the University faculty salary parity figures*

Prior to this year's calculation, the faculty salary parity figure represented the gap between California and comparison institutional salary levels each weighted 50 percent by the State University or University staffing pattern and 50 percent by the comparison institution staffing pattern. While the Legislative Analyst suggested simply weighting institutions' average salaries by their own staffing patterns, this year's methodology will measure the lag between average salaries both of which are weighted 75 percent by their own staffing pattern and 25 percent by the staffing pattern of the other. This is an especially significant issue for the State University since its staffing pattern differs dramatically from the staffing pattern at its comparison institutions. For example, while 64 percent of the State University's faculty are full professors, 39 percent of the comparison institutions' faculty are at the same level.

*Issues affecting the State University faculty salary parity figure*

This year's State University faculty salary methodology will, for the first time, account for the cost of living in the areas where the State University campuses and comparison institutions are located. Based on geographic salary differential data, 54 percent of the comparison institution faculty work in low-cost areas, while only 42 percent of State University faculty work in such areas (see Appendix B on page 25 for the methodology from which these proportions are derived). Thus, in calculating average faculty salaries by rank for the comparison institutional group, the institutions in low-cost areas have been weighted to account for only 42 percent of the total, while those in high-cost areas have been weighted to account for 58 percent of the total.



The Advisory Committee members agreed to defer consideration of changes in the list of the State University's comparison institutions. Replacing comparison institutions and establishing a collaborative relationship with staff at the new institutions takes more time than available for this report. Thus, the list of comparison institutions, shown in Display 4, is unchanged for 1996-97. However, the Legislative Analyst stated the intention to address the issue for the 1999-2000 analysis of faculty salaries. The Postsecondary Education Commission staff agreed to defer consideration of this issue but will address it sooner, if staff resources allow.

*Issues affecting  
the University  
faculty salary  
parity figure*

The 1996-97 University faculty salary methodology changes the manner by which the average comparison institutional salaries by rank are calculated. In recent years, that average has been weighted by the number and rank of faculty at each comparison institution. This has given the larger comparison institutions a stronger influence over the comparison institutional average. In recognition that the University competes with public and independent institutions, the average will now be the unweighted average of the following: (1) the average of the salaries at public comparison institutions, weighted by faculty size and rank, and (2) the average of salaries at independent comparison institutions, weighted by faculty size and rank.

**DISPLAY 4** *Faculty Salary Comparison Institutions of the California State University and the University of California, 1996-97*

**The California State University**

*Northeast Region*

Bucknell University\*  
Rutgers, the State University of  
New Jersey, Newark  
State University of New York at  
Albany  
Tufts University\*  
University of Connecticut

*Southern Region*

Georgia State University  
George Mason University  
North Carolina State University  
University of Maryland,  
Baltimore County

*North Central Region*

Cleveland State University  
Illinois State University  
Loyola University, Chicago\*  
Wayne State University  
University of Wisconsin,  
Milwaukee

*Western Region*

Arizona State University  
Reed College\*  
University of Colorado, Denver  
University of Nevada, Reno  
University of Southern California\*  
University of Texas, Arlington

**University of California**

Harvard University\*  
Massachusetts Institute  
of Technology\*  
Stanford University\*  
State University of New York  
at Buffalo  
University of Illinois, Urbana  
University of Michigan, Ann  
Arbor  
University of Virginia,  
Charlottesville  
Yale University\*

\* Independent Institution

Source: California Postsecondary Education Commission.

## Faculty Salary Parity Figures for the California State University and the University of California in the 1996-97 Academic Year

**T**HE FOLLOWING sections present the Commission's analysis of faculty salary information for both the California systems and their respective groups of comparison institutions. The analysis was completed using the revised methodology described in Chapter 3. As has been the case in prior years, the average salaries paid to 11-month faculty were converted to nine-month salary figures.

The lag between faculty salaries at the California State University and the University of California and their respective comparison institutions remains substantial. For the State University, the lag has declined from 12.7 percent a year ago, but the 1996-97 lag of 9.6 percent is still substantial. For the University, the lag is virtually unchanged at 10.3 percent.

### **The California State University**

Display 5 on page 14 shows a summary of the calculation of the salary lag between the State University and its comparison institutions. It indicates a projected parity deficiency of 9.6 percent between the mean salary expected to be paid in 1996-97 at the comparison institutions and at the State University. The unweighted average salary among State University faculty has seen relatively little change over the past four years. While the unweighted average salary for 1995-96 was up by 1.8 percent, it declined in two of the three prior years. Declines in average salaries in recent years are likely due, in part, to the higher-than-average retirement rate of senior faculty (who generally earn more) occasioned by the three State University early retirement plans initiated since 1991-92. Between 1992-93 and 1995-96, the unweighted average salary increased by a net of 4.4 percent.

The changes in the unweighted average salary among the faculty at the comparison institutions over the same period have been very steady. There have been increases each year, and over these four years, the unweighted average salary has increased by 12.2 percent. As growth in average faculty salaries at the comparison institutions has outpaced growth in average faculty salaries at the State University, the State University's faculty salary parity figure has grown from 6.0 percent in 1992-93 to 9.6 percent for 1996-97.

**DISPLAY 5** *California State University Comparison Group Average Salaries, 1990-91 and 1995-96, Compound Rates of Increase, Projected Comparison Group Average Salaries, 1996-97; and Projected Percentage CSU Faculty Salary Increase Required to Attain Parity with the Comparison Group in 1996-97*

| Academic Rank       | Comparison Group<br>Average Salaries<br>1990-91* | Comparison Group<br>Average Salaries<br>1995-96* | Compound Rate<br>of Increase | Comparison Group<br>Projected Salaries<br>1996-97 |
|---------------------|--|--|------------------------------|---|
| Professor           | \$63,502   | \$73,338   | 2.922%                       | \$75,481  |
| Associate Professor | \$46,865   | \$53,943   | 2.853%                       | \$55,482  |
| Assistant Professor | \$39,289   | \$43,751   | 2.174%                       | \$44,702  |
| Instructor          | \$31,376   | \$34,386   | 1.849%                       | \$35,021  |

| Academic Rank                                    | California<br>State University<br>Actual Average<br>Salaries, 1995-96 | Comparison Group<br>Average Salaries |                      | Percentage Increase Required in<br>California State University Average<br>Salaries to Equal the<br>Comparison Institution Average |                      |
|--|---|--------------------------------------|----------------------|---|----------------------|
|  |   | Actual<br>1995-96                    | Projected<br>1996-97 | Actual<br>1995-96   | Projected<br>1996-97 |
| Professor  | \$63,603  | \$73,338                             | \$75,481             | 15.3%   | 18.7%                |
| Associate Professor                              | \$50,540  | \$53,943                             | \$55,482             | 6.7%  | 9.8%                 |
| Assistant Professor                              | \$41,262  | \$43,751                             | \$44,702             | 6.0%  | 8.3%                 |
| Instructor                                       | \$33,718  | \$34,386                             | \$35,021             | 2.0%  | 3.9%                 |
| Weighted by State<br>University Staffing         | \$57,349  | \$64,657                             | \$66,486             | 12.7%   | 15.9%                |
| Weighted by Comparison<br>Institution Staffing   | \$52,877  | \$58,428                             | \$60,033             | 10.5%   | 13.5%                |
| All Ranks Average and<br>Net Percentage Amount** | \$56,231  | \$59,985                             | \$61,646             | 6.7%  | 9.6%                 |

| Institutional Current-Year<br>Staffing Pattern<br>(Headcount Faculty) | Professor    | Associate<br>Professor | Assistant<br>Professor | Instructor | Total  |
|---|--------------|------------------------|------------------------|------------|--------|
| California State University<br>Percent                                | 6.744<br>64% | 2.040<br>19%           | 1.516<br>14%           | 165<br>2%  | 10,465 |
| Comparison Institutions<br>Percent                                    | 4.834<br>39% | 4.325<br>35%           | 2.970<br>24%           | 378<br>3%  | 12,507 |

\*Weighted 58% high-cost institutions, 42% low-cost institutions

\*\*All-Ranks Average derived by weighting the State University and Comparison Institutions by 75% of their own staffing pattern and 25% of the other's staffing pattern

**DISPLAY 6 California State University Comparison Institution Salary Data, by Rank, 1990-91 and 1995-96**

| Institution             | <u>Professors</u> |                       |  | <u>Associate Professors</u> |                       |  | <u>Assistant Professors</u> |                       |  | <u>Instructors</u> |                       |  | <u>TOTAL</u>  |                       |  |
|-------------------------|-------------------|-----------------------|--|-----------------------------|-----------------------|--|-----------------------------|-----------------------|--|--------------------|-----------------------|--|---------------|-----------------------|--|
|                         | No                | Average Salary (rank) |  | No                          | Average Salary (rank) |  | No                          | Average Salary (rank) |  | No                 | Average Salary (rank) |  | No            | Average Salary (rank) |  |
| <b>1990-91</b>          |                   |                       |  |                             |                       |  |                             |                       |  |                    |                       |  |               |                       |  |
| Institution J           | 105               | \$72,268 (13)         |  | 130                         | \$54,577 (1)          |  | 80                          | \$46,303 (11)         |  | 13                 | \$32,146 (6)          |  | 328           | \$57,333 (1)          |  |
| Institution B           | 500               | \$67,856 (5)          |  | 297                         | \$52,427 (2)          |  | 244                         | \$42,498 (3)          |  | 14                 | \$42,215 (2)          |  | 1,055         | \$57,307 (2)          |  |
| Institution Q           | 422               | \$73,029 (1)          |  | 389                         | \$51,501 (4)          |  | 325                         | \$43,090 (2)          |  | 19                 | \$47,763 (1)          |  | 1,155         | \$56,938 (3)          |  |
| Institution N           | 245               | \$71,182 (4)          |  | 234                         | \$52,112 (3)          |  | 147                         | \$39,671 (9)          |  | 0                  | \$0 (18)              |  | 626           | \$56,513 (4)          |  |
| <b>Calif State Univ</b> | <b>7,463</b>      | <b>\$60,752 (9)</b>   |  | <b>2,374</b>                | <b>\$48,611 (6)</b>   |  | <b>2,110</b>                | <b>\$39,853 (6)</b>   |  | <b>208</b>         | <b>\$32,562 (4)</b>   |  | <b>12,175</b> | <b>\$54,281 (5)</b>   |  |
| Institution P           | 102               | \$65,821 (6)          |  | 113                         | \$47,729 (7)          |  | 68                          | \$39,851 (7)          |  | 3                  | \$30,500 (8)          |  | 286           | \$52,128 (6)          |  |
| Institution R           | 165               | \$72,415 (2)          |  | 257                         | \$49,228 (5)          |  | 167                         | \$40,778 (5)          |  | 36                 | \$32,367 (5)          |  | 625           | \$52,120 (7)          |  |
| Institution K           | 427               | \$64,330 (8)          |  | 336                         | \$46,249 (9)          |  | 220                         | \$38,438 (12)         |  | 11                 | \$30,211 (9)          |  | 994           | \$52,110 (8)          |  |
| Institution S           | 270               | \$59,974 (12)         |  | 258                         | \$46,280 (8)          |  | 219                         | \$41,059 (4)          |  | 3                  | \$26,906 (16)         |  | 750           | \$49,608 (9)          |  |
| Institution A           | 534               | \$59,537 (13)         |  | 467                         | \$44,576 (12)         |  | 361                         | \$38,301 (13)         |  | 21                 | \$30,031 (11)         |  | 1,383         | \$48,494 (10)         |  |
| Institution C           | 86                | \$60,155 (11)         |  | 67                          | \$43,961 (15)         |  | 81                          | \$37,855 (14)         |  | 0                  | \$0 (19)              |  | 234           | \$47,799 (11)         |  |
| Institution M           | 133               | \$56,903 (16)         |  | 124                         | \$43,986 (14)         |  | 103                         | \$37,184 (15)         |  | 2                  | \$32,019 (7)          |  | 362           | \$46,730 (12)         |  |
| Institution I           | 81                | \$64,818 (7)          |  | 122                         | \$45,348 (10)         |  | 105                         | \$39,111 (8)          |  | 35                 | \$28,211 (15)         |  | 343           | \$46,288 (13)         |  |
| Institution G           | 143               | \$60,300 (10)         |  | 219                         | \$45,000 (11)         |  | 173                         | \$37,109 (16)         |  | 21                 | \$35,200 (1)          |  | 556           | \$46,225 (14)         |  |
| Institution T           | 260               | \$55,892 (17)         |  | 297                         | \$42,709 (18)         |  | 215                         | \$38,911 (10)         |  | 4                  | \$29,109 (12)         |  | 776           | \$46,004 (15)         |  |
| Institution F           | 244               | \$59,159 (14)         |  | 254                         | \$42,953 (16)         |  | 204                         | \$36,769 (18)         |  | 28                 | \$25,754 (17)         |  | 730           | \$45,965 (16)         |  |
| Institution D           | 144               | \$57,420 (15)         |  | 215                         | \$44,046 (13)         |  | 116                         | \$36,738 (17)         |  | 25                 | \$28,311 (14)         |  | 500           | \$45,416 (17)         |  |
| Institution E           | 98                | \$54,879 (18)         |  | 104                         | \$42,900 (17)         |  | 103                         | \$38,702 (11)         |  | 24                 | \$28,329 (13)         |  | 323           | \$44,091 (16)         |  |
| Institution O           | 166               | \$54,410 (19)         |  | 233                         | \$41,415 (19)         |  | 140                         | \$35,360 (19)         |  | 0                  | \$0 (20)              |  | 539           | \$43,844 (19)         |  |
| Institution L           | 44                | \$54,170 (20)         |  | 24                          | \$40,565 (20)         |  | 43                          | \$33,279 (20)         |  | 1                  | \$30,160 (19)         |  | 112           | \$43,020 (20)         |  |
| Institution H           | 267               | \$50,740 (21)         |  | 189                         | \$39,440 (21)         |  | 264                         | \$33,175 (21)         |  | 0                  | \$0 (21)              |  | 740           | \$41,587 (21)         |  |
| <b>Totals</b>           | <b>4,456</b>      | <b>\$60,931</b>       |  | <b>4,329</b>                | <b>\$44,721</b>       |  | <b>3,378</b>                | <b>\$37,766</b>       |  | <b>260</b>         | <b>\$30,173</b>       |  | <b>12,423</b> | <b>\$48,340</b>       |  |
| <b>1995-96</b>          |                   |                       |  |                             |                       |  |                             |                       |  |                    |                       |  |               |                       |  |
| Institution J           | 109               | \$89,976 (1)          |  | 112                         | \$68,165 (1)          |  | 89                          | \$54,569 (1)          |  | 17                 | \$41,196 (5)          |  | 327           | \$70,317 (1)          |  |
| Institution Q           | 472               | \$82,806 (2)          |  | 349                         | \$59,783 (3)          |  | 260                         | \$50,625 (2)          |  | 38                 | \$45,361 (3)          |  | 1,119         | \$66,877 (2)          |  |
| Institution B           | 486               | \$80,558 (3)          |  | 346                         | \$60,851 (2)          |  | 230                         | \$47,556 (3)          |  | 6                  | \$46,662 (1)          |  | 1,068         | \$66,876 (3)          |  |
| Institution N           | 255               | \$75,506 (7)          |  | 198                         | \$55,356 (5)          |  | 75                          | \$43,556 (5)          |  | 0                  | \$0 (21)              |  | 576           | \$63,310 (4)          |  |
| Institution P           | 112               | \$78,543 (5)          |  | 120                         | \$58,135 (4)          |  | 66                          | \$43,555 (7)          |  | 3                  | \$30 (20)             |  | 298           | \$62,605 (5)          |  |
| Institution R           | 211               | \$79,251 (4)          |  | 264                         | \$54,952 (6)          |  | 134                         | \$43,097 (12)         |  | 49                 | \$34,810 (7)          |  | 658           | \$58,830 (6)          |  |
| Institution S           | 288               | \$71,152 (10)         |  | 270                         | \$54,550 (7)          |  | 200                         | \$44,556 (4)          |  | 19                 | \$41,812 (4)          |  | 777           | \$57,989 (7)          |  |
| Institution G           | 152               | \$76,190 (6)          |  | 213                         | \$54,400 (8)          |  | 142                         | \$43,090 (10)         |  | 3                  | \$34,209 (10)         |  | 510           | \$57,658 (8)          |  |
| <b>Calif State Univ</b> | <b>6,744</b>      | <b>\$63,603 (18)</b>  |  | <b>2,040</b>                | <b>\$50,540 (14)</b>  |  | <b>1,516</b>                | <b>\$41,262 (16)</b>  |  | <b>165</b>         | <b>\$33,718 (13)</b>  |  | <b>10,465</b> | <b>\$57,349 (9)</b>   |  |
| Institution M           | 144               | \$70,696 (12)         |  | 127                         | \$51,588 (11)         |  | 86                          | \$41,661 (15)         |  | 2                  | \$45,875 (2)          |  | 359           | \$56,984 (10)         |  |
| Institution C           | 54                | \$71,430 (9)          |  | 88                          | \$53,55 (9)           |  | 80                          | \$43,458 (9)          |  | 1                  | \$33,090 (14)         |  | 253           | \$56,217 (11)         |  |
| Institution K           | 485               | \$70,834 (11)         |  | 341                         | \$51,089 (12)         |  | 253                         | \$33,742 (21)         |  | 17                 | \$33,742 (12)         |  | 1,074         | \$55,928 (12)         |  |
| Institution F           | 235               | \$74,311 (8)          |  | 250                         | \$52,101 (10)         |  | 235                         | \$43,128 (11)         |  | 34                 | \$34,106 (11)         |  | 754           | \$55,415 (13)         |  |
| Institution A           | 593               | \$65,901 (14)         |  | 463                         | \$49,302 (16)         |  | 262                         | \$41,895 (14)         |  | 41                 | \$27,631 (18)         |  | 1,359         | \$54,463 (14)         |  |
| Institution T           | 277               | \$63,209 (17)         |  | 314                         | \$50,938 (13)         |  | 150                         | \$43,958 (6)          |  | 5                  | \$34,527 (9)          |  | 746           | \$54,241 (15)         |  |
| Institution L           | 55                | \$63,910 (16)         |  | 22                          | \$47,539 (19)         |  | 53                          | \$40,742 (17)         |  | 1                  | \$35,865 (6)          |  | 111           | \$53,525 (16)         |  |
| Institution I           | 99                | \$67,972 (13)         |  | 129                         | \$48,978 (18)         |  | 91                          | \$42,925 (13)         |  | 28                 | \$31,125 (15)         |  | 347           | \$51,369 (17)         |  |
| Institution D           | 146               | \$62,499 (19)         |  | 198                         | \$49,266 (17)         |  | 115                         | \$41,432 (18)         |  | 17                 | \$30,976 (16)         |  | 474           | \$50,580 (18)         |  |
| Institution E           | 104               | \$65,334 (15)         |  | 114                         | \$49,612 (15)         |  | 107                         | \$43,990 (15)         |  | 49                 | \$34,807 (8)          |  | 374           | \$50,436 (19)         |  |
| Institution H           | 290               | \$58,681 (21)         |  | 194                         | \$45,857 (20)         |  | 217                         | \$39,559 (17)         |  | 7                  | \$28,472 (17)         |  | 798           | \$48,493 (20)         |  |
| Institution O           | 211               | \$62,038 (20)         |  | 213                         | \$44,839 (21)         |  | 147                         | \$37,326 (20)         |  | 44                 | \$25,492 (19)         |  | 615           | \$47,560 (21)         |  |
| <b>Totals</b>           | <b>4,834</b>      | <b>\$71,968</b>       |  | <b>4,325</b>                | <b>\$53,223</b>       |  | <b>2,970</b>                | <b>\$43,125</b>       |  | <b>375</b>         | <b>\$34,208</b>       |  | <b>12,507</b> | <b>\$57,496</b>       |  |

Source: The California State University Office of the Chancellor

**DISPLAY 7** *California State University Faculty Salary Schedules, 1995-96*

| Academic Year Faculty |           |           |      |               |                         |           |      |               | 12- Month Faculty |           |           |      |               |                         |           |      |               |
|-----------------------|-----------|-----------|------|---------------|-------------------------|-----------|------|---------------|-------------------|-----------|-----------|------|---------------|-------------------------|-----------|------|---------------|
| Most Disciplines      |           |           |      |               | Designated Disciplines* |           |      |               | Most Disciplines  |           |           |      |               | Designated Disciplines* |           |      |               |
| Rank & Step           |           |           |      |               | Rank & Step             |           |      |               | Rank & Step       |           |           |      |               | Rank & Step             |           |      |               |
| Instructor            | Assistant | Associate | Full | Annual Salary | Assistant               | Associate | Full | Annual Salary | Instructor        | Assistant | Associate | Full | Annual Salary | Assistant               | Associate | Full | Annual Salary |
| 1                     |           |           |      | \$30,300      |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
| 2                     |           |           |      | 30,972        |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
| 3                     |           |           |      | 31,632        |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
| 4                     |           |           |      | 32,376        |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
| 5                     |           |           |      | 33,108        |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
| 6                     |           |           |      | 33,876        |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
| 7                     |           |           |      | 34,644        |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
| 8                     |           |           |      | 35,472        |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
| 9                     | 1         |           |      | 36,300        |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       | 2         |           |      | 37,164        |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       | 3         |           |      | 38,016        |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       | 4         |           |      | 38,916        |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       | 5         |           |      | 39,826        |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       | 6         |           |      | 40,752        | 1                       |           |      | \$40,392      |                   |           |           |      |               |                         |           |      |               |
|                       | 7         | 1         |      | 41,676        | 2                       |           |      | 41,340        |                   |           |           |      |               |                         |           |      |               |
|                       | 8         | 2         |      | 42,684        | 3                       |           |      | 42,288        |                   |           |           |      |               |                         |           |      |               |
|                       | 9         | 3         |      | 43,680        | 4                       |           |      | 43,296        |                   |           |           |      |               |                         |           |      |               |
|                       | 10        | 4         |      | 44,724        | 5                       |           |      | 44,292        |                   |           |           |      |               |                         |           |      |               |
|                       | 11        | 5         |      | 45,756        | 6                       |           |      | 45,336        |                   |           |           |      |               |                         |           |      |               |
|                       | 12        | 6         |      | 46,848        | 7                       | 1         |      | 46,368        |                   |           |           |      |               |                         |           |      |               |
|                       | 13        | 7         |      | 47,940        | 8                       | 2         |      | 47,484        |                   |           |           |      |               |                         |           |      |               |
|                       | 14        | 8         |      | 49,092        | 9                       | 3         |      | 48,588        |                   |           |           |      |               |                         |           |      |               |
|                       | 15        | 9         |      | 50,232        | 10                      | 4         |      | 49,692        |                   |           |           |      |               |                         |           |      |               |
|                       | 16        | 10        |      | 51,456        | 11                      | 5         |      | 50,796        |                   |           |           |      |               |                         |           |      |               |
|                       | 17        | 11        | 1    | 52,668        | 12                      | 6         |      | 52,020        |                   |           |           |      |               |                         |           |      |               |
|                       | 18        | 12        | 2    | 53,916        | 13                      | 7         |      | 53,244        |                   |           |           |      |               |                         |           |      |               |
|                       | 19        | 13        | 3    | 55,176        | 14                      | 8         |      | 55,056        |                   |           |           |      |               |                         |           |      |               |
|                       | 20        | 14        | 4    | 56,508        | 15                      | 9         | 1    | 56,880        |                   |           |           |      |               |                         |           |      |               |
|                       | 21        | 15        | 5    | 57,840        | 16                      | 10        | 2    | 58,248        |                   |           |           |      |               |                         |           |      |               |
|                       | 22        | 16        | 6    | 59,244        | 17                      | 11        | 3    | 59,604        |                   |           |           |      |               |                         |           |      |               |
|                       | 23        | 17        | 7    | 60,636        | 18                      | 12        | 4    | 61,032        |                   |           |           |      |               |                         |           |      |               |
|                       | 24        | 18        | 8    | 62,088        | 19                      | 13        | 5    | 62,472        |                   |           |           |      |               |                         |           |      |               |
|                       |           | 19        | 9    | 63,540        | 20                      | 14        | 6    | 63,984        |                   |           |           |      |               |                         |           |      |               |
|                       |           | 20        | 10   | 65,028        | 21                      | 15        | 7    | 65,508        |                   |           |           |      |               |                         |           |      |               |
|                       |           | 21        | 11   | 66,564        | 22                      | 16        | 8    | 67,068        |                   |           |           |      |               |                         |           |      |               |
|                       |           | 22        | 12   | 68,124        |                         | 17        | 9    | 68,640        |                   |           |           |      |               |                         |           |      |               |
|                       |           |           | 13   | 69,732        |                         | 18        | 10   | 70,308        |                   |           |           |      |               |                         |           |      |               |
|                       |           |           | 14   | 71,376        |                         | 19        | 11   | 72,024        |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         | 20        | 12   | 73,788        |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           | 13   | 75,588        |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           | 14   | 77,436        |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |
|                       |           |           |      |               |                         |           |      |               |                   |           |           |      |               |                         |           |      |               |

\* Designated Disciplines are Business, Engineering, and Computer Science.  
Source: The California State University Office of the Chancellor

An examination of salaries by rank in Display 6 on page 15 yields further evidence of the large gap between faculty salaries at the State University and those at its comparison institutions. For example, among all 21 institutions (the State University plus its 20 comparison institutions), the salary rank for the State University's full professors has dropped from ninth in 1990-91 to 18th in 1995-96. Associate professors' average salaries have slid from sixth to 14th over the same period, while assistant professors' average salary rank slid from sixth to 16th. It is also interesting to note that, while the State University's faculty classifications rank no higher than 13th for 1995-96, its overall weighted average compensation ranks 9th -- due largely to the fact that the State University has a large percentage of its faculty at the professor level.

Display 7 on page 16 shows the State University faculty salary schedules for 1995-96. It should be noted that Business, Engineering, and Computer Science faculty, including those on both nine- and 11-month appointments, received an upward adjustment that differs from other faculty in 1995-96.

#### **The University of California**

Upon assuming office, University of California President Richard Atkinson articulated his five highest priorities. The first was to continue to attract and retain the highest qualified faculty and staff by remaining competitive with other leading institutions. He has since articulated particular concern about faculty salaries. The University has since adopted a plan to reach parity with its faculty salary comparison institutions by 1998-99. President Atkinson has said that the Governor's 1996-97 Budget proposal would allow the University to move forward with its plan. For 1995-96, the University granted its faculty a three percent salary increase; actions on 1996-97 faculty salaries have not yet been announced.

Display 8 on Page 18 shows the average salaries by rank at the comparison institutions in 1990-91 and 1995-96, as well as the University's position in each of these two years. The faculty salary methodology is designed to place the University's faculty at the middle of the comparison group, and the University is, indeed, at the middle of the comparison group at the professor rank and in average overall salary. The University is holding its place on the list after declining to sixth overall two years ago. For 1995-96, the University's salary positions for the associate and assistant professor ranks are at seventh and fifth place, respectively.

Display 9 on Page 19 shows the parity calculations for the 1996-97 academic year, and it indicates that University faculty salaries will require an increase of 10.3 percent to maintain parity at the mean of its comparison group. This parity figure is virtually unchanged from the 10.4 percent parity figure a year ago.

The simple average salary among University faculty increased by 4.6 percent in 1995-96, after an increase of 6.0 percent in 1994-95. These are two healthy increases after a decline in 1993-94. While the parity figure is lower than it was in 1993-94, it is still significant. There remains substantial ground to cover if the

**DISPLAY 8 University of California and Comparison Institution Average Salaries and Ranking, 1990-91 and 1995-96**

|               | Type* | Number | Professor |      | Associate Professor |          |      | Assistant Professor |          |      | Total Faculty |          |      |
|---------------|-------|--------|-----------|------|---------------------|----------|------|---------------------|----------|------|---------------|----------|------|
|               |       |        | Salary    | Rank | Number              | Salary   | Rank | Number              | Salary   | Rank | Number        | Salary   | Rank |
| 1990-91       |       |        |           |      |                     |          |      |                     |          |      |               |          |      |
| Institution H | I     | 542    | \$85,557  | 1    | 143                 | \$48,225 | 6    | 197                 | \$46,316 | 2    | 882           | \$70,740 | 2    |
| Institution A | I     | 501    | \$82,658  | 2    | 126                 | \$58,575 | 1    | 170                 | \$46,310 | 3    | 797           | \$71,098 | 1    |
| Institution D | I     | 371    | \$79,014  | 5    | 111                 | \$48,705 | 8    | 207                 | \$39,116 | 9    | 689           | \$62,144 | 5    |
| Institution F | I     | 569    | \$80,360  | 3    | 194                 | \$56,729 | 2    | 150                 | \$46,788 | 1    | 913           | \$69,823 | 3    |
| Univ of Calif | P     | 3,548  | \$76,438  | 4    | 1,087               | \$52,128 | 3    | 1,118               | \$43,887 | 4    | 5,753         | \$65,519 | 4    |
| Institution B | P     | 400    | \$69,431  | 7    | 287                 | \$47,951 | 7    | 209                 | \$38,728 | 8    | 896           | \$55,377 | 8    |
| Institution C | P     | 345    | \$70,401  | 6    | 267                 | \$50,365 | 5    | 175                 | \$39,893 | 6    | 787           | \$56,813 | 7    |
| Institution E | P     | 722    | \$68,921  | 8    | 291                 | \$51,584 | 4    | 393                 | \$43,679 | 5    | 1,406         | \$58,277 | 6    |
| Institution G | P     | 909    | \$62,987  | 9    | 518                 | \$45,015 | 9    | 423                 | \$39,778 | 7    | 1,850         | \$52,646 | 9    |
| Totals        |       | 4,358  | \$73,848  |      | 1,937               | \$49,678 |      | 1,925               | \$42,192 |      | 8,220         | \$60,740 |      |

|                | Type* | Number | Professor |      | Associate Professor |          |      | Assistant Professor |          |      | Total Faculty |          |      |
|----------------|-------|--------|-----------|------|---------------------|----------|------|---------------------|----------|------|---------------|----------|------|
|                |       |        | Salary    | Rank | Number              | Salary   | Rank | Number              | Salary   | Rank | Number        | Salary   | Rank |
| 1995-96        |       |        |           |      |                     |          |      |                     |          |      |               |          |      |
| Institution H  | I     | 580    | \$108,081 | 1    | 132                 | \$62,734 | 4    | 181                 | \$57,103 | 1    | 893           | \$91,045 | 1    |
| Institution A  | I     | 484    | \$101,603 | 2    | 140                 | \$68,960 | 1    | 154                 | \$55,319 | 2    | 778           | \$86,567 | 2    |
| Institution F  | I     | 581    | \$97,341  | 3    | 156                 | \$67,226 | 2    | 178                 | \$53,863 | 4    | 915           | \$83,749 | 3    |
| Institution D  | I     | 359    | \$95,591  | 4    | 104                 | \$56,515 | 5    | 175                 | \$47,565 | 6    | 638           | \$76,048 | 4    |
| Univ. of Calif | P     | 3,190  | \$82,621  | 5    | 1,197               | \$55,583 | 7    | 960                 | \$47,902 | 5    | 5,347         | \$70,335 | 5    |
| Institution E  | P     | 692    | \$81,721  | 6    | 336                 | \$63,833 | 3    | 351                 | \$54,076 | 3    | 1,379         | \$70,326 | 6    |
| Institution C  | P     | 313    | \$79,237  | 7    | 248                 | \$56,324 | 6    | 156                 | \$43,963 | 8    | 717           | \$63,655 | 7    |
| Institution G  | P     | 871    | \$74,378  | 9    | 491                 | \$53,187 | 8    | 378                 | \$45,895 | 7    | 1,740         | \$62,214 | 8    |
| Institution B  | P     | 429    | \$75,609  | 8    | 286                 | \$51,953 | 9    | 188                 | \$42,966 | 9    | 903           | \$61,317 | 9    |
| Total          |       | 3,880  | \$98,269  |      | 1,607               | \$68,865 |      | 1,572               | \$55,976 |      | 7,060         | \$82,157 |      |

\* I = Independent, P = Public

Source: University of California, Office of the President

University is to achieve parity with its comparison institutions by 1998-99. Display 10 on page 20 shows the University of California's salary schedule for the 1995-96 academic and fiscal years for regular faculty -- plus those in Business, Management, and Engineering who earn between 9.8 and 31.6 percent higher salaries than other faculty at comparable ranks and steps.

**DISPLAY 9 University of California Comparison Group Average Salaries, 1990-91 and 1995-96; Compound Rates of Increase, Projected Comparison Group Average Salaries, 1996-97; and Projected Percentage UC Faculty Salary Increase Required to Attain Parity with the Comparison Group in 1996-97**

| Academic Rank       | Comparison Group<br>Average Salaries<br>1990-91 | Comparison Group<br>Average Salaries<br>1995-96 | Compound Rate<br>of Increase | Comparison Group<br>Projected Salaries<br>1996-97 |
|---------------------|---|---|------------------------------|---|
| Professor           | \$74,530  | \$89,318  | 3.69%                        | \$92,611  |
| Associate Professor | \$50,774  | \$60,301  | 3.50%                        | \$62,411  |
| Assistant Professor | \$42,621  | \$50,609  | 3.50%                        | \$52,378  |

| Academic Rank                                    | University of<br>California<br>Actual Average<br>Salaries, 1995-96 | Comparison Group<br>Average Salaries |                      | Percentage Increase Required in<br>University of California Average<br>Salaries to Equal the<br>Comparison Institution Average |                      |
|--|--|--------------------------------------|----------------------|--|----------------------|
|  |  | Actual<br>1995-96                    | Projected<br>1996-97 | Actual<br>1995-96  | Projected<br>1996-97 |
| Professor  | \$82,621   | \$89,318                             | \$92,611             | 8.11%  | 12.1%                |
| Associate Professor                              | \$55,583   | \$60,301                             | \$62,411             | 8.49%  | 12.3%                |
| Assistant Professor                              | \$47,902   | \$50,609                             | \$52,378             | 5.65%  | 9.3%                 |
| Weighted by University<br>of California Staffing | \$70,335   | \$75,873                             | \$78,627             | 7.87%  | 11.8%                |
| Weighted by Comparison<br>Institution Staffing   | \$68,518   | \$73,862                             | \$76,537             | 7.80%  | 11.7%                |
| All Ranks Average and<br>Net Percentage Amount*  | \$69,881   | \$74,365                             | \$77,059             | 6.42%  | 10.3%                |

| Institutional Budget Year<br>Staffing Pattern (Full-<br>Time-Equivalent Faculty) | Professor    | Associate<br>Professor | Assistant<br>Professor | Total |
|--|--------------|------------------------|------------------------|-------|
| University of California<br>Percent  | 3,190<br>60% | 1,197<br>22%           | 960<br>18%             | 5,347 |
| Comparison Institutions<br>Percent   | 4,309<br>54% | 1,893<br>24%           | 1,760<br>22%           | 7,962 |

\*All-Ranks Average derived by weighting University and Comparison Institutions by 75 % of their own staffing pattern and 25% of the other's staffing pattern.



# **DISPLAY 10 University of California Faculty Salary Schedules, 1995-96**

**Academic Year Faculty (Nine Months)**

**Fiscal-Year Faculty (Eleven Months)**

|                     |   | Normal Period |           | Faculty in Most Disciplines |            | Faculty in Business and Engineering |            | Percentage Difference |  | Faculty in Most Disciplines |            | Faculty in Business and Engineering |            | Percentage Difference |    |
|---------------------|---|---------------|-----------|-----------------------------|------------|-------------------------------------|------------|-----------------------|--|-----------------------------|------------|-------------------------------------|------------|-----------------------|----|
| Rank                |   |               | at Salary | Annual                      | Monthly    | Annual                              | Monthly    |                       |  | Annual                      | Monthly    | Annual                              | Monthly    |                       |    |
| Instructor          |   |               |           | \$32,500                    | \$2,708.33 | --                                  | --         | -                     |  | \$37,800                    | \$3,150.00 | --                                  | --         | --                    | -- |
| Assistant Professor | 1 | 2             |           | 37,700                      | 3,141.67   | \$49,600                            | \$4,133.33 | 31.6%                 |  | 43,800                      | 3,650.00   | \$57,600                            | \$4,800.00 | 31.5%                 |    |
|                     | 2 | 2             |           | 39,900                      | 3,325.00   | 52,200                              | 4,350.00   | 30.8%                 |  | 46,200                      | 3,850.00   | 60,600                              | 5,050.00   | 31.2%                 |    |
|                     | 3 | 2             |           | 41,800                      | 3,483.33   | 54,900                              | 4,575.00   | 31.3%                 |  | 48,500                      | 4,041.67   | 63,700                              | 5,308.33   | 31.3%                 |    |
|                     | 4 | 2             |           | 44,000                      | 3,666.67   | 57,600                              | 4,800.00   | 30.9%                 |  | 51,000                      | 4,250.00   | 66,700                              | 5,558.33   | 30.8%                 |    |
|                     | 5 | 2             |           | 46,300                      | 3,858.33   | 60,500                              | 5,041.67   | 30.7%                 |  | 53,700                      | 4,475.00   | 70,100                              | 5,841.67   | 30.5%                 |    |
|                     | 6 | 2             |           | 49,000                      | 4,083.33   | 62,900                              | 5,241.67   | 28.4%                 |  | 56,900                      | 4,741.67   | 73,000                              | 6,083.33   | 28.3%                 |    |
| Associate Professor | 1 | 2             |           | \$46,400                    | \$3,866.67 | \$60,600                            | \$5,050.00 | 30.6%                 |  | \$53,800                    | \$4,483.33 | \$70,200                            | \$5,850.00 | 30.5%                 |    |
|                     | 2 | 2             |           | 49,100                      | 4,091.67   | 63,000                              | 5,250.00   | 28.7%                 |  | 57,000                      | 4,750.00   | 73,100                              | 6,091.67   | 28.2%                 |    |
|                     | 3 | 2             |           | 51,700                      | 4,308.33   | 65,600                              | 5,466.67   | 26.9%                 |  | 59,900                      | 4,991.67   | 76,100                              | 6,341.67   | 27.0%                 |    |
|                     | 4 | 3             |           | 54,800                      | 4,566.67   | 67,600                              | 5,633.33   | 23.4%                 |  | 63,600                      | 5,300.00   | 78,400                              | 6,533.33   | 23.3%                 |    |
|                     | 5 | 3             |           | 58,600                      | 4,883.33   | 69,700                              | 5,808.33   | 18.9%                 |  | 68,000                      | 5,666.67   | 80,900                              | 6,741.67   | 19.0%                 |    |
| Professor           | 1 | 3             |           | \$54,900                    | \$4,575.00 | \$67,700                            | \$5,641.67 | 23.3%                 |  | \$63,700                    | \$5,308.33 | \$78,500                            | \$6,541.67 | 23.2%                 |    |
|                     | 2 | 3             |           | 58,700                      | 4,891.67   | 69,800                              | 5,816.37   | 18.9%                 |  | 68,100                      | 5,675.00   | 81,000                              | 6,750.00   | 18.9%                 |    |
|                     | 3 | 3             |           | 63,900                      | 5,325.00   | 74,100                              | 6,175.00   | 16.0%                 |  | 74,100                      | 6,175.00   | 85,900                              | 7,158.33   | 15.9%                 |    |
|                     | 4 | 3             |           | 69,800                      | 5,816.67   | 79,500                              | 6,625.00   | 13.9%                 |  | 81,000                      | 6,750.00   | 92,200                              | 7,683.33   | 13.8%                 |    |
|                     | 5 | ---           |           | 76,100                      | 6,341.67   | 85,600                              | 7,133.33   | 12.5%                 |  | 88,300                      | 7,358.33   | 99,300                              | 8,275.00   | 12.5%                 |    |
|                     | 6 | ---           |           | 82,600                      | 6,883.33   | 92,100                              | 7,675.00   | 11.5%                 |  | 95,800                      | 7,983.33   | 106,800                             | 8,900.00   | 11.5%                 |    |
|                     | 7 | ---           |           | 89,200                      | 7,433.33   | 98,800                              | 8,233.33   | 10.8%                 |  | 103,400                     | 8,616.67   | 114,500                             | 9,541.67   | 10.7%                 |    |
|                     | 8 | ---           |           | 96,300                      | 8,025.00   | 106,300                             | 8,858.33   | 10.4%                 |  | 111,700                     | 9,308.33   | 122,600                             | 10,216.67  | 9.8%                  |    |

Note: Salaries effective October 1, 1995

Source: University of California, Office of the President

## Appendix A      Changes in the Content and Methodology of the Reports Since the 1970s

**T**HE DESIRE on the part of California officials for accurate and timely faculty salary data in higher education is at least as old as the Master Plan Survey Team, which recommended in 1960 the creation of a coordinating agency that would, among other duties, collect pertinent data on faculty supply and demand. For the next several years, following creation of the Coordinating Council for Higher Education, the Legislature sought information regarding faculty compensation and other issues relating to the State Budget. While the Council did its best to provide the requested data, the Legislature — and especially the Assembly — deemed the Council's reports to be insufficient. Consequently, the Assembly requested the Legislative Analyst to prepare a specific report on the subject (House Resolution No. 250, 1964 First Extraordinary Session, reproduced in Appendix C, pp. 31-32).

Early in the 1965 General Session, the Legislative Analyst presented his report and recommended that the process of developing data for use by the Legislature and the Governor in determining faculty compensation be formalized. This recommendation was embodied in Senate Concurrent Resolution No. 51 (1965) in Appendix C, which specifically directed the Coordinating Council to prepare annual reports in cooperation with the University of California and the then California State Colleges.

Since that time, the Coordinating Council, and more recently the Commission, have submitted reports to the Governor and the Legislature. Prior to the 1973-74 budgetary cycle, the Coordinating Council submitted only one report annually, usually in March or April. Between 1974-75 and 1985-86, the Commission compiled two reports — a preliminary report transmitted in December, and a final report in April or May. The first was intended principally to assist the Department of Finance in developing cost-of-living adjustments presented in the Governor's Budget, while the second was used by the Legislative Analyst and the legislative fiscal committees during budget hearings. Each report compared faculty salaries and the cost of fringe benefits in California's public universities with those of other institutions (both within and outside of California) for the purpose of maintaining a competitive position.

As they evolved over a period of years, the Commission's salary reports were tailored to meet the information needs of the times. While always providing parity figures based on analyses of comparison institutional data, they were occasionally expanded to include summaries of economic conditions; comparisons with other professional workers, discussions of supplemental income and business and indus-

trial competition for talent, analyses of collective bargaining, and data on community college faculty salaries, medical faculty salaries, and administrators' and executive salaries. The last three of these additions to the annual reports were all requested by the Office of the Legislative Analyst. community college and medical faculty salaries in 1979, and administrators' salaries at the University of California and California State University in 1982. However in 1990, the Legislative Analyst determined that the study of medical faculty salaries was no longer necessary; medical faculty salary data have not been reported since that year.

Much of the supplemental economic and compensation data provided throughout the 1970s and into the early 1980s were developed because of the unique inflationary pressures -- resulting primarily from the OPEC oil shocks -- present at that time. Much of the evidence presented later in this part of the report indicates clearly that higher education faculty nationally were suffering through a significant erosion in purchasing power. Since faculty salaries in California are based primarily on interinstitutional comparisons, faculty at the University of California and the California State University inevitably experienced an economic erosion comparable to that endured by university faculty nationally. That erosion made it increasingly difficult to recruit the most talented teachers and researchers, especially in competition with the substantially higher salaries generally available in business and industry. The evidence presented by the Commission in those reports prompted several Legislative decisions, among them the creation of enriched salary schedules for faculty in business and engineering in both of the university systems, the adoption of a "margin of excellence" or "competitive edge," a percentage enhancement over the comparison institutional parity figure for University of California faculty, and improvements in the comparison institution list for the California State University.

To discuss changes in the faculty salary methodology, the Commission has periodically convened an advisory committee consisting of representatives from the University of California, the California State University, the Department of Finance, the Office of the Legislative Analyst, and other interested parties (e.g. union representatives, industry consultants) to review the methodology under which the salary reports are prepared each year. In general, community college representatives have not attended, since salaries in that system are determined locally. In 1984, the committee's deliberations led to a number of substantive revisions that were approved by the Commission the following year (1985). Among the more significant of those changes were those to create a new list of comparison institutions for the State University, produce only a single report rather than a preliminary and a final report, and provide University of California medical faculty salary information biennially rather than annually.

In 1987, due primarily to issues of confidentiality and technical difficulties in collecting data in a timely fashion, the advisory committee met to consider changes in the methodology. The committee suggested several revisions to the methodology at that meeting to address those issues. The Commission acted on those recommendations at its June 1987 meeting (1987).

At that time, the University of California agreed to continue to use the eight comparison institutions it had used for the past 16 years. After further analyzing salary trends at these eight institutions later in the summer, however, the University determined that the economic situation, especially in the midwest, had adversely affected at least one of its comparison institutions (the University of Wisconsin, Madison), and quite probably another (Cornell), causing only marginal increases in its faculty salaries in contrast to increases elsewhere. This erosion had been evident for some years, but since the Legislature had agreed to grant University faculty the "margin of excellence" noted above -- an amount between 3 and 3.5 percent above the parity figure -- the comparison institution issue did not seem too serious. Clearly, however, this was not an altogether satisfactory solution to the problem of inadequate salaries, if for no other reason than the fact that it produced a somewhat cluttered methodology. There was also no guarantee that the Legislature would continue to grant the additional percentage amount.

As a result of these considerations, the University requested the Commission to approve the substitution of the University of Virginia for the University of Wisconsin and the Massachusetts Institute of Technology for Cornell University "in the best interest of the University and the State." As part of this proposal, it agreed to abandon requests in 1988-89 and subsequent fiscal years for any funds beyond the parity figure and noted that the traditional methodology of projected lag to parity would be sufficient, given the new comparison group. The Commission approved this change in the University's comparison institution group at its February 1988 meeting.

The Commission again considered changes in its methodology when it responded to Supplemental Budget Language to the 1988-89 Budget Act that directed it to convene its salary methodology advisory committee in order to evaluate whether the estimated average salaries at the State University's comparison institutions should be adjusted for the full effect, rather than the existing partial effect, of law school faculty among its comparison institution group. The Commission was also directed to determine the appropriateness of retaining any effect of law school faculty employed by comparison institutions when computing a final State University faculty salary parity figure, and to provide a justification for it.

In June 1989, the Commission adopted the recommendation of its advisory committee that, for purposes of reporting comparable "academic" salary information for both the State University and its comparison institutions, all law faculty should be removed from the methodology used for computing the State University's parity figure during the 1991-92 budget cycle -- the year in which the collective bargaining agreement between the faculty and the administration expired. This year's report continues to reflect the exclusion of comparison institutions' law faculty.

In removing comparison institutions' law faculty, however, it was clear that the State University's competitiveness in the marketplace would be undermined in that its instructional budget in the 1989-90 budget year would be reduced by approximately \$7.5 million because of a reduction in the calculation of its parity.

figure Recognizing the dangers implicit in this reduction -- especially its impact on the recruitment and retention of faculty -- the Commission considered a modest change in the State University's group of comparison institutions in order to recover approximately one-half of the estimated revenue loss attributed to the removal of the comparison institutions' law faculty In September 1989, the Commission called for deleting three existing comparison institutions -- Virginia Polytechnic Institute, the University of Bridgeport, and Mankato State University -- and replacing them with three new institutions -- the University of Connecticut, George Mason University, and Illinois State University This year's report continues to reflect that change in the comparison institution list

The next revisions to the faculty salary methodology came pursuant to a recommendation by the Legislative Analyst in 1992 Until that time, the average salary by rank at the State University's comparison institutions had been weighted by faculty size, while the average salary by rank at the University of California's comparison institutions had not been weighted The Analyst suggested that the use of weighting for the University's methodology would more accurately reflect the faculty compensation market Noting that weighting would give the larger comparison institutions -- the lower-paying public institutions -- a stronger influence over the parity figure, the University argued that it competed equally with independent and public institutions for faculty Ultimately, the other members of the Commission's advisory committee agreed with the Analyst, and the University's comparison institution faculty salaries were then weighted

Changes to the faculty salary methodology for 1996-97 are described in the main section of this report

## Appendix B

### High and Low Cost Area Adjustment in The State University Methodology

For 1996-97, the State University's faculty salary methodology for the first time accounts for differences in the cost of living among the locations of the State University's campuses and the locations of the comparison institutions. According to the 1994-95 Geographic Salary Differentials Report prepared annually by the William M. Mercer Company, the following comparison institutions and CSU campuses are located in lower-cost areas:

#### **California State University**

Institutions in areas with average pay rates no more than four percent above national average:

CSU Bakersfield  
CSU Chico  
CSU Fresno  
CSU Humboldt  
CSU Sacramento  
CSU San Diego  
Cal Poly San Luis Obispo  
CSU San Marcos  
CSU Stanislaus

#### **Comparison Institutions**

Institutions in areas with average pay rates no more than four percent above national average:

Arizona State University  
Bucknell University  
Cleveland State University  
Georgia State University  
Illinois State University  
North Carolina State University  
Reed College  
SUNY Albany  
University of Texas, Arlington  
University of Wisconsin, Milwaukee

The ten comparison institutions in the lower cost areas account for 54 percent of the total faculty at the 20 comparison institutions. However, only 42 percent of State University faculty reside in lower-cost areas. Thus, in the calculation of the average salary at the comparison institutions, the salaries of the ten comparison institutions listed above have been weighted as 42 percent of the total to bring them in line with the data from the State University.

Appendix C      Senate Concurrent Resolution No. 51, 1965  
General Session

**Senate Concurrent Resolution No. 51, 1965 General Session,  
Relative to Academic Salaries and Welfare Benefits**

WHEREAS, The Joint Legislative Budget Committee pursuant to House Resolution No. 250, 1964 First Extraordinary Session, has had prepared and has adopted a report of the Legislative Analyst containing findings and recommendations as to salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education; and

WHEREAS, The study of the Joint Legislative Budget Committee found that the reporting of salaries and fringe benefits as it has been made previously to the Legislature has been fragmentary and has lacked necessary consistency, with the result that the Legislature's consideration of the salary requests of the institutions of higher learning has been made unnecessarily difficult; and

WHEREAS, The report recommends that the Legislature and the Governor should receive each December 1 a report from the Coordinating Council for Higher Education, plus such supplementary information as the University of California and the California State Colleges desire to furnish independently, containing comprehensive and consistently reported information as outlined specifically in the report adopted by the Joint Legislative Budget Committee; and

WHEREAS, The reporting recommended by the committee would include essential data on the size and composition of the faculty, the establishment of comprehensive bases for comparing and evaluating faculty salaries, the nature and cost of existing and desired fringe benefits, the nature and extent of total compensation to the faculty, special privileges and benefits, and a description and measurement of supplementary income, all of which affect the welfare of the faculties and involve implications to the state now, therefore, be it

*Resolved by the Senate of the State of California, the Assembly thereof concurring, That the Coordinating Council for Higher Education in cooperation with the University of California and the California State Colleges shall submit annually to the Governor and the Legislature not later than December 1 a faculty salary and welfare benefits report containing the basic information recommended in the report of the Joint Legislative Budget Committee as filed with the President of the Senate and the Speaker of the Assembly, under date of March 22, 1965.*

# References

American Association of University Professors "Not so Bad The Annual Report on the Economic Status of the Profession, 1995-96 " *Academe*, 82:2 (March/April, 1996)

-- "A Ray of Sunshine? The Annual Report on the Economic Status of the Profession, 1994-95 " *Academe*, 81:2 (March/April, 1995)

-- "Plus Ça Change The Annual Report on the Economic Status of the Profession, 1994-95 " *Academe*, 80:2 (March/April, 1994)

-- "Treading Water The Annual Report on the Economic Status of the Profession, 1994-95 " *Academe*, 79:2 (March/April, 1993)

-- "Diversity Within Adversity The Annual Report on the Economic Status of the Profession, 1994-95 " *Academe*, 78:2 (March/April, 1992).

California Postsecondary Education Commission *Methods for Calculating Salary and Fringe Benefit Cost Comparisons, 1985-86 to 1994-95: A Revision of the Commission's 1977 Methodology for Preparing Its Annual Reports on Faculty and Administrative Salaries and Fringe Benefit Costs*. Commission Report 85-11 Sacramento The Commission, March 1985

-- *Faculty Salary Revisions: A Revision of the Commission's 1985 Methodology for Preparing Its Annual Reports on Faculty and Administrative Salaries and Fringe Benefits*. Commission Report 87-27 Sacramento The Commission, June 1987

-- *Changes in Faculty Salary Methodology*. Commission Agenda Item, February 8, 1988

-- *Revisions to the Commission's Faculty Salary Methodology for the California State University*. Commission Report 89-22 Sacramento The Commission, June 1989a

-- *Changes in the Faculty Salary Methodology*. Consent Item 2, September 18, 1989b.



# CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

THE California Postsecondary Education Commission is a citizen board established in 1974 by the Legislature and Governor to coordinate the efforts of California's colleges and universities and to provide independent, non-partisan policy analysis and recommendations to the Governor and Legislature

## Members of the Commission

The Commission consists of 17 members. Nine represent the general public, with three each appointed for six-year terms by the Governor, the Senate Rules Committee, and the Speaker of the Assembly. Six others represent the major segments of postsecondary education in California. Two student members are appointed by the Governor.

As of June 1996, the Commissioners representing the general public are

Jeff Marston, San Diego, *Chair*  
Ellen F. Wright, Woodside, *Vice Chair*  
Elaine Alquist, Santa Clara  
Mim Andelson, Los Angeles  
C. Thomas Dean, Long Beach  
Henry Der, San Francisco  
Lance Izumi, San Francisco  
Guillermo Rodriguez, Jr., San Francisco  
Melinda G. Wilson, Torrance

Representatives of the segments are

Roy T. Brophy, Fair Oaks, appointed by the Regents of the University of California,  
Gerti Thomas, Albany, appointed by the California State Board of Education,  
Philip E. del Campo, La Mesa, appointed by the Board of Governors of the California Community Colleges,  
Ted J. Saenger, San Francisco, appointed by the Trustees of the California State University,  
Kyhl Smeby, Pasadena, appointed by the Governor to represent California's independent colleges and universities, and  
Frank R. Martinez, San Luis Obispo, appointed by the Council for Private Postsecondary and Vocational Education

The two student representatives are

Stephen R. McShane, San Luis Obispo  
John E. Stratman, Jr., Orange

## Functions of the Commission

The Commission is charged by the Legislature and Governor to "assure the effective utilization of public postsecondary education resources, thereby eliminating waste and unnecessary duplication, and to promote diversity, innovation, and responsiveness to student and societal needs."

To this end, the Commission conducts independent reviews of matters affecting the 2,600 institutions of postsecondary education in California, including community colleges, four-year colleges, universities, and professional and occupational schools.

As an advisory body to the Legislature and Governor, the Commission does not govern or administer any institutions, nor does it approve, authorize, or accredit any of them. Instead, it performs its specific duties of planning, evaluation, and coordination by cooperating with other State agencies and non-governmental groups that perform those other governing, administrative, and assessment functions.

## Operation of the Commission

The Commission holds regular meetings throughout the year at which it debates and takes action on staff studies and takes positions on proposed legislation affecting education beyond the high school in California. By law, its meetings are open to the public. Requests to speak at a meeting may be made by writing the Commission in advance or by submitting a request before the start of the meeting.

The Commission's day-to-day work is carried out by its staff in Sacramento, under the guidance of Executive Director Warren Halsey Fox, Ph.D., who is appointed by the Commission.

Further information about the Commission and its publications may be obtained from the Commission offices at 1303 J Street, Suite 500, Sacramento, California 95814-2938, telephone (916) 445-7933.

# FACULTY SALARIES IN CALIFORNIA'S PUBLIC UNIVERSITIES, 1996-97

## Commission Report 96-5



ONE of a series of reports published by the California Postsecondary Education Commission as part of its planning and coordinating responsibilities. Single copies may be obtained without charge from the Commission at 1303 J Street, Suite 500, Sacramento, California 95814-2938. Recent reports include

### 1995

- 95-11 *Fiscal Profiles, 1995: The Fifth in a Series of Factbooks About the Financing of California Higher Education* (August 1995)
- 95-12 *California Colleges and Universities, 1995: A Guide to California's Degree-Granting Postsecondary Institutions and to Their Degree, Certificate, and Credential Programs* (September 1995)
- 95-13 *The Effectiveness of California's Oversight of Private Postsecondary and Vocational Education: A Report to the Legislature and the Governor in Response to Education Code Section 94345* (October 1995)
- 95-14 *California Public College and University Enrollment Demand 1994 to 2005: A Report to the California Postsecondary Education Commission* (July 1995)
- 95-15 *Closing the Door . . . Needed Facilities for California's Colleges and Universities: A Report by the California Postsecondary Education Commission Executive Director Warren H. Fox* (October 1995)
- 95-16 *Student Profiles, 1995: The Latest in a Series of Annual Factbooks About Student Participation in California Higher Education* (October 1995)

### 1996

- 96-1 *California Postsecondary Education Commission Workplan, 1996 Through 2000* (February 1996)
- 96-2 *Performance Indicators of California Higher: The Second Annual Report to California's Governor, Legislature, and Citizens in Response to Assembly Bill 1808 (Chapter 741, Statutes of 1991)* (February 1996)
- 96-3 *Changes in College Participation: Promise or Peril? — Adding the Interstate Dimension: A Report by the California Postsecondary Education Commission Executive Director Warren H. Fox* (February 1996)
- 96-4 *Progress Report on the Community College Transfer Function: A Report to the Governor and Legislature in Response to Senate Bill 121 (Chapter 1188, Statutes of 1991)* (June 1996)
- 96-5 *Faculty Salaries at California's Public Universities: A Report to the Governor and Legislature in Response to Senate Concurrent Resolution No. 51 (1965)* (June 1996)